

**LEGISLATIVE APPROPRIATIONS REQUEST
FOR FISCAL YEARS 2022 AND 2023**

**SUBMITTED TO THE
OFFICE OF THE GOVERNOR, BUDGET DIVISION
AND THE LEGISLATIVE BUDGET BOARD**

BY



**OFFICE OF PUBLIC
INSURANCE COUNSEL**

SEPTEMBER 2020

(Revised September 28, 2020)

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359 Office of Public Insurance Counsel

The Texas Legislature established the Office of Public Insurance Counsel (OPIC) in 1991 and codified the agency's duties, structure, and method of funding in Chapter 501 of the Texas Insurance Code. The agency is funded by a statutorily set fee of 5.7 cents assessed on certain insurance policies. OPIC receives approximately 27%, or \$850,579, from the 5.7 cent fee assessed on policies. The remaining \$2,346,983 collected from the fee goes to the State's General Revenue Fund 1.

The agency also receives approximately \$191,670 from the Texas Department of Insurance (TDI) via an interagency contract. The \$191,670 paid to OPIC by TDI comes from maintenance taxes levied on insurers writing in the state and appropriated to TDI. Together, the statutorily set fee and maintenance taxes provide OPIC an annual operating budget of \$1,042,249.

While OPIC receives about \$1,042,249 each year, the agency fulfills, and exceeds, the statutory goals set for it by the Texas Legislature, saving consumers far more money than it is appropriated. In Fiscal Year (FY) 2019, OPIC saved Texas consumers \$41,457,739 due to rate interventions in title, workers compensation, homeowners, and automobile insurance. Savings were higher than normal due to the occurrence of two industrywide rate proceedings that year, but the year was a normal year for the agency in that OPIC saved Texas consumers more money it was appropriated. In FY 2020, OPIC saved consumers \$4,606,355 due to interventions in automobile and homeowners insurance rate filings. That number includes saving Texas drivers over \$1,500,000 from April through August 2020 by successfully challenging personal auto rate increases filed by insurers during the COVID-19 pandemic.

Chapter 501 charges OPIC with representing the interests of Texas consumers in insurance matters. OPIC fulfills this statutory duty by representing the interests of consumers before TDI on regulatory matters that relate to insurance rates, rules, and policy forms. This requires OPIC subject-matter experts to review, analyze, and participate in hundreds of rate and form filings each year, and to communicate with TDI and individual insurers about potentially problematic aspects of those filings. Examples of issues OPIC raises include noncompliance with disclosure requirements, policy form provisions that violate state law, and excessive or discriminatory rates. When necessary and prudent, the agency also intervenes as a party and presents actuarial and economic evidence in rate hearings and rate filings before the Commissioner of Insurance and the State Office of Administrative Hearings.

In addition, OPIC fulfills its statutory duties by recommending legislation to the Texas Legislature that would positively affect the interests of insurance consumers; providing resource testimony and information to the Texas Legislature on insurance issues; and intervening in legal and other matters, as appropriate, for positions that are most advantageous to a substantial number of insurance consumers.

One of OPIC's most important duties is consumer education and outreach. Sections 501.251 and 501.252 of the Insurance Code direct the agency to evaluate Health Maintenance Organizations' (HMO) quality of care and performance, and to annually develop an HMO consumer report card to help consumers identify and compare HMOs. Additionally, Section 501.156 instructs the agency to submit to TDI for adoption a consumer bill of rights appropriate to personal lines of insurance regulated by TDI. The Bills of Rights produced by OPIC are designed to advise consumers of their rights and are updated as new statutes, rules, regulations, and case law require. OPIC's subject matter experts also provide direct consumer assistance by developing and publishing consumer-friendly articles and other content, and by answering questions over the phone and via email on a daily basis.

Per OPIC's mandate to represent the interests of insurance consumers, and Section 501.004 of the Insurance Code, OPIC has significant responsibilities for consumer education and outreach. This is reflected in OPIC's performance measure targets, which increased significantly in 2011, and now include reaching over 62% of consumers, providing report card access to over 2 million, and issuing over 200 communications. OPIC provides Texas consumers with essential information about insurance, including policy terms, loss prevention, claim handling, and more. Public presentations and other communications are now a major focus for the agency.

359 Office of Public Insurance Counsel

While OPIC creates informational postcards, brochures, and other print materials to assist consumers, OPIC primarily uses its website and social media applications, Facebook and Twitter, to reach the goal of increased consumer education and outreach. OPIC created and maintains on its website a Policy Comparison Tool that helps consumers compare policies and coverage when shopping for automobile and property insurance. OPIC also works with TDI to maintain the HelpInsure website, which allows consumers to compare rates when shopping for automobile and property insurance. OPIC continually updates its websites and social media applications, both in form and content.

Beginning in 2018, OPIC embarked upon an extensive overhaul to its website and social media applications. The extensive updates to the agency's website and social media applications had several goals: 1) increasing the number of consumers who visit the website and the number of followers on social media, thereby increasing the number of Texas consumers OPIC reaches and helps; 2) increasing the quantity of information OPIC provides to consumers; and 3) improving the content of information so consumers receive information they need in a manner that is easy to read and understand. As part of this effort, OPIC's staff includes a communications specialist, who has evaluated the entire website for accessibility and ease of use; and OPIC has partnered with TDI for plain language training. Consumer education and outreach, in plain language people can understand, are priorities for OPIC and require significant resources from the agency.

OPIC transitioned to the Centralized Accounting and Payroll/Personnel System (CAPPS) during FY 2019 for accounting transactions. OPIC did not request additional funding for the transition to CAPPS. OPIC will transition to CAPPS for payroll and personnel functions in FY 2023.

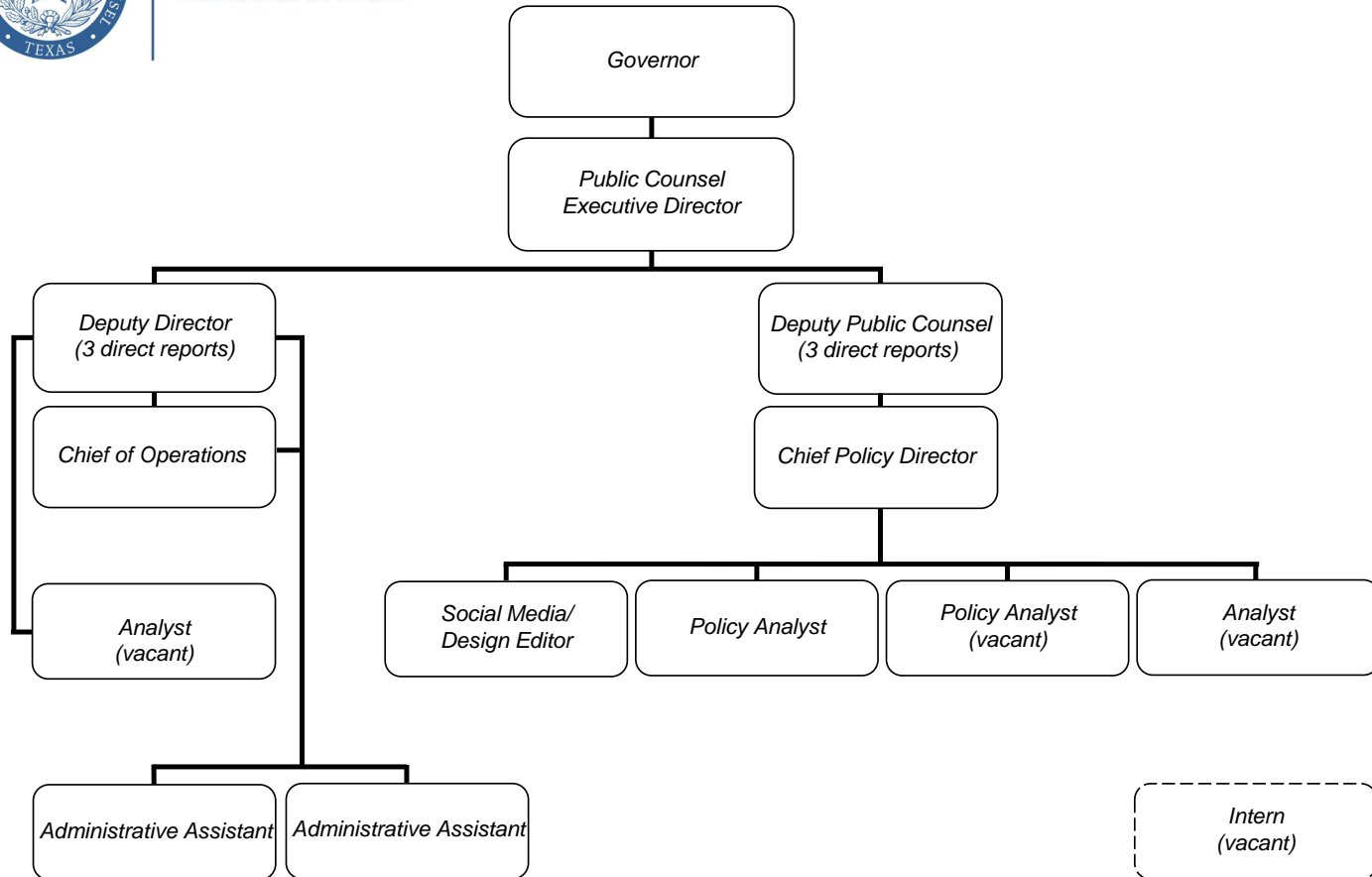
OPIC's budget team conducted a careful and thorough review of the agency's budget in preparation for this budget cycle. One of the team's primary duties was to identify expenditures for a five percent biennial base reduction. The reductions in FY 2020 and FY 2021 are primarily the result of identifying more efficient operations and procedures.

In addition, during FYs 2019, 2020, and 2021, OPIC reduced its number of FTEs and moved functions from those FTEs to existing FTEs. The transfer of functions and streamlining of staff improved the effectiveness and efficiency of the agency; however, OPIC staff are now working at maximum capacity. There is no room for absorbing additional duties with the current number of funded FTEs. Since OPIC made these, and other, changes to be more fiscally responsible and prudent, the agency's budget has limited flexibility for additional reductions. Additional reductions in the future budget cycles for the 2022-2023 biennium beyond the five percent biennial base reduction could affect OPIC's performance of core functions, such as participation in rate hearings or consumer education and outreach efforts. The reductions could also result in the loss of agency staff.

OPIC is scheduled to move to the Bush Building in the new Capitol Complex in the summer of 2022. The move will impact the agency's IT infrastructure, as the Department of Information Resource's Data Center Services (DCS) assumes control of the agency's IT infrastructure. Due to factors beyond the agency's control, OPIC does not yet have firm numbers from DCS about the cost of this transition. Once those numbers are available, OPIC will update its Legislative Appropriations Request accordingly.



OFFICE OF PUBLIC
INSURANCE COUNSEL



Dotted line denotes part time position.



CERTIFICATE

Agency Name Office of Public Insurance Counsel

This is to certify that the information contained in the agency Legislative Appropriation Request filed with the Legislative Budget Board (LBB) and the Governor's Office Budget Division (Governor's Office) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's Office will be notified in writing in accordance with Article IX, Section 7.01 (2020-21 GAA).

Chief Executive Officer or Presiding Judge



Signature

Melissa R. Hamilton

Printed Name

Public Counsel

Title

09/15/2020

Date

Board or Commission Chair

Signature

Printed Name

Title

Date

Chief Financial Officer



Signature

Patricia C. Zapata

Printed Name

Chief of Operations

Title

09/15/2020

Date

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/15/2020

TIME: 4:20:20PM

Agency code:

Agency name: **Office of Public Insurance Counsel**

GR Baseline Request Limit = \$1,616,840

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider										Page #
2022 Funds				2023 Funds				Biennial	Biennial	
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded	Cumulative GR	Cumulative Ded	
Strategy: 1 - 1 - 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings										
8.0	808,420	808,420	0	8.0	808,420	808,420	0	1,616,840	0	_____
Strategy: 2 - 1 - 1 Provide Consumers with Information to Make Informed Choices										
2.0	191,670	0	0	2.0	191,670	0	0	1,616,840	0	_____
10.0	\$1,000,090	\$808,420	\$0	10.0	\$1,000,090	\$808,420	0			

Budget Overview - Biennial Amounts
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel											
Appropriation Years: 2022-23											
	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23	2022-23
Goal: 1. Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings											
1.1.1. Participate In Rates/Rules/Forms	1,563,428	1,616,840							1,563,428	1,616,840	
Total, Goal	1,563,428	1,616,840							1,563,428	1,616,840	
Goal: 2. Increase Consumer Choice-Educate Texas Insurance Consumers											
2.1.1. Insurance Information							374,750	383,340	374,750	383,340	
Total, Goal							374,750	383,340	374,750	383,340	
Total, Agency	1,563,428	1,616,840					374,750	383,340	1,938,178	2,000,180	
Total FTEs									10.0	10.0	0.0

2.A. Summary of Base Request by Strategy

9/15/2020 4:20:21PM

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

Goal / Objective / STRATEGY	Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
1 <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers</i>					
1 PARTICIPATE IN RATES/RULES/FORMS	849,814	755,008	808,420	808,420	808,420
TOTAL, GOAL 1	\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
2 Increase Consumer Choice-Educate Texas Insurance Consumers					
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Markets</i>					
1 INSURANCE INFORMATION	191,670	183,080	191,670	191,670	191,670
TOTAL, GOAL 2	\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
TOTAL, AGENCY STRATEGY REQUEST	\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090

2.A. Summary of Base Request by Strategy

9/15/2020 4:20:21PM

87th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

Goal / Objective / STRATEGY	Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	849,814	755,008	808,420	808,420	808,420
SUBTOTAL	\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
Other Funds:					
777 Interagency Contracts	191,670	183,080	191,670	191,670	191,670
SUBTOTAL	\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
TOTAL, METHOD OF FINANCING	\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:22PM

Agency code:	359	Agency name:	Office of Public Insurance Counsel			
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>GENERAL REVENUE</u>						
<u>1</u>	General Revenue Fund					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2018-19 GAA)	\$850,580	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2020-21 GAA)	\$0	\$850,579	\$850,580	\$0	\$0
	Regular Appropriations from MOF Table (2022-23 GAA)	\$0	\$0	\$0	\$850,579	\$850,580
	<i>LAPSED APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2018-19 GAA)	\$(766)	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2020-21 GAA)	\$0	\$(53,412)	\$0	\$0	\$0
	<i>BASE ADJUSTMENT</i>					

2.B. Summary of Base Request by Method of Finance
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:22PM

Agency code: 359		Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>GENERAL REVENUE</u>						
	Regular Appropriations from MOF Table (2022-23 GAA)					
	2022-23 BL Request					
	Five percent reduction	\$0	\$(42,159)	\$(42,160)	\$(42,159)	\$(42,160)
	Comments: 2022-23 BL Request					
	Five percent reduction					
TOTAL,	General Revenue Fund	\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
TOTAL, ALL	GENERAL REVENUE	\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
<u>OTHER FUNDS</u>						
777	Interagency Contracts					
	TRANSFERS					
	Interagency Contract from MOF Table (2018-19 GAA)	\$191,670	\$0	\$0	\$0	\$0
	Interagency Contract from MOF Table (2020-21 GAA)	\$0	\$191,670	\$191,670	\$0	\$0
	Interagency Contract from MOF Table (2022-23 GAA)	\$0	\$0	\$0	\$191,670	\$191,670

2.B. Summary of Base Request by Method of Finance
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:22PM

Agency code: 359		Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
<u>OTHER FUNDS</u>						
LAPSED APPROPRIATIONS						
Interagency Contract from MOF Table (2020-21 GAA)		\$0	\$(8,590)	\$0	\$0	\$0
TOTAL,	Interagency Contracts	\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
TOTAL, ALL	OTHER FUNDS	\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
GRAND TOTAL		\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2018-19 GAA)		15.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2020-21 GAA)		0.0	13.0	13.0	13.0	13.0
Comments: 2022-23 BL Request						
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Number Below Cap		(3.6)	(3.3)	(3.0)	(3.0)	(3.0)
TOTAL, ADJUSTED FTES		11.4	9.7	10.0	10.0	10.0

2.B. Summary of Base Request by Method of Finance
 87th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:22PM

Agency code:	359	Agency name:	Office of Public Insurance Counsel			
METHOD OF FINANCING		Exp 2019	Est 2020	Bud 2021	Req 2022	Req 2023
NUMBER OF 100% FEDERALLY FUNDED FTEs		0.0	0.0	0.0	0.0	0.0

2.C. Summary of Base Request by Object of Expense
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:22PM

359 Office of Public Insurance Counsel					
OBJECT OF EXPENSE	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1001 SALARIES AND WAGES	\$888,184	\$808,960	\$859,740	\$860,740	\$860,740
1002 OTHER PERSONNEL COSTS	\$41,971	\$19,087	\$40,000	\$40,000	\$40,000
2001 PROFESSIONAL FEES AND SERVICES	\$32,963	\$42,111	\$22,500	\$22,500	\$22,500
2003 CONSUMABLE SUPPLIES	\$926	\$486	\$1,000	\$1,000	\$1,000
2004 UTILITIES	\$432	\$865	\$2,500	\$2,500	\$2,500
2005 TRAVEL	\$2,328	\$611	\$400	\$400	\$400
2006 RENT - BUILDING	\$0	\$350	\$500	\$0	\$0
2007 RENT - MACHINE AND OTHER	\$4,645	\$4,395	\$6,000	\$5,500	\$5,500
2009 OTHER OPERATING EXPENSE	\$70,035	\$61,223	\$67,450	\$67,450	\$67,450
OOE Total (Excluding Riders)	\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090
OOE Total (Riders)					
Grand Total	\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090

2.D. Summary of Base Request Objective Outcomes
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

9/15/2020 4:20:23PM

359 Office of Public Insurance Counsel					
<i>Goal/ Objective / Outcome</i>	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
1 <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers</i>					
1 Percentage of Rate, Rule, & Policy Form Filings Participatory OPIC					
	36.63%	34.59%	40.00%	40.00%	40.00%
KEY 2 % Rates/Rules/Policy Forms Changed As a Result of OPIC Participation					
	89.29%	92.00%	90.00%	90.00%	90.00%
2 Increase Consumer Choice-Educate Texas Insurance Consumers					
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Markets</i>					
KEY 1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts					
	31.15%	50.00%	60.00%	60.00%	60.00%
2 % Bills of Rights Submitted for Adoption within Established Timelines					
	100.00%	0.00%	100.00%	100.00%	100.00%

2.F. Summary of Total Request by Strategy
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/15/2020
TIME : 4:20:24PM

Agency code: 359	Agency name: Office of Public Insurance Counsel					
	Base	Base	Exceptional	Exceptional	Total Request	Total Request
Goal/Objective/STRATEGY						
1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1 <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consu</i>						
1 PARTICIPATE IN RATES/RULES/FORMS	\$808,420	\$808,420	\$0	\$0	\$808,420	\$808,420
TOTAL, GOAL 1	\$808,420	\$808,420	\$0	\$0	\$808,420	\$808,420
2 Increase Consumer Choice-Educate Texas Insurance Consumers						
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Mark</i>						
1 INSURANCE INFORMATION	191,670	191,670	0	0	191,670	191,670
TOTAL, GOAL 2	\$191,670	\$191,670	\$0	\$0	\$191,670	\$191,670
TOTAL, AGENCY STRATEGY REQUEST	\$1,000,090	\$1,000,090	\$0	\$0	\$1,000,090	\$1,000,090
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$1,000,090	\$1,000,090	\$0	\$0	\$1,000,090	\$1,000,090

2.F. Summary of Total Request by Strategy
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/15/2020
TIME : 4:20:24PM

Agency code: 359		Agency name: Office of Public Insurance Counsel				
		Base	Base	Exceptional	Exceptional	Total Request
Goal/Objective/STRATEGY						Total Request
General Revenue Funds:						
1	General Revenue Fund	\$808,420	\$808,420	\$0	\$0	\$808,420
		\$808,420	\$808,420	\$0	\$0	\$808,420
Other Funds:						
777	Interagency Contracts	191,670	191,670	0	0	191,670
		\$191,670	\$191,670	\$0	\$0	\$191,670
TOTAL, METHOD OF FINANCING		\$1,000,090	\$1,000,090	\$0	\$0	\$1,000,090
FULL TIME EQUIVALENT POSITIONS		10.0	10.0	0.0	0.0	10.0

2.G. Summary of Total Request Objective Outcomes
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 9/15/2020
Time: 4:20:24PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Goal/ Objective / Outcome

		BL 2022	BL 2023	Excp 2022	Excp 2023	Total Request 2022	Total Request 2023
1	Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1	Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers						
	1 Percentage of Rate, Rule, & Policy Form Filings Participatory OPIC						
		40.00%	40.00%			40.00%	40.00%
KEY	2 % Rates/Rules/Policy Forms Changed As a Result of OPIC Participation						
		90.00%	90.00%			90.00%	90.00%
2	Increase Consumer Choice-Educate Texas Insurance Consumers						
1	Contact Insurance Consumers Regarding Insurance Coverage/Markets						
KEY	1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts						
		60.00%	60.00%			60.00%	60.00%
	2 % Bills of Rights Submitted for Adoption within Established Timelines						
		100.00%	100.00%			100.00%	100.00%

3.A. Strategy Request
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:24PM

359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings

OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers

Service Categories:

STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service: 01

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
Output Measures:						
	1 Number of Rate Hearings in Which OPIC Participated	1.00	0.00	1.00	1.00	1.00
	2 Number of Policy Form Filings Reviewed	330.00	670.00	525.00	525.00	525.00
KEY	3 Number of Policy Form Filings Analyzed	33.00	60.00	35.00	35.00	35.00
	4 Number of Rule Filings Reviewed	8.00	41.00	25.00	25.00	25.00
KEY	5 Number of Rule Filings Analyzed	29.00	21.00	25.00	25.00	25.00
	6 Number of Rate Filings Reviewed	773.00	924.00	800.00	800.00	800.00
KEY	7 Number of Rate Filings Analyzed	39.00	78.00	55.00	55.00	55.00
KEY	8 Number of Responses to Legislative Request for Research or Information	32.00	8.00	0.00	0.00	0.00
Efficiency Measures:						
	1 Average Cost per Rate Hearing in Which OPIC Participated	5,026.25	1,755.00	15,000.00	15,000.00	15,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$729,226	\$658,547	\$696,775	\$696,775	\$696,775
1002	OTHER PERSONNEL COSTS	\$41,971	\$19,087	\$40,000	\$40,000	\$40,000
2001	PROFESSIONAL FEES AND SERVICES	\$26,104	\$37,071	\$17,000	\$17,000	\$17,000
2003	CONSUMABLE SUPPLIES	\$926	\$462	\$900	\$900	\$900
2004	UTILITIES	\$432	\$865	\$2,500	\$2,500	\$2,500

3.A. Strategy Request
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:24PM

359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings

OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers

Service Categories:

STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings

Service: 01

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
2005	TRAVEL	\$795	\$0	\$400	\$400	\$400
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$2,216	\$2,031	\$3,000	\$3,000	\$3,000
2009	OTHER OPERATING EXPENSE	\$48,144	\$36,945	\$47,845	\$47,845	\$47,845
TOTAL, OBJECT OF EXPENSE		\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
Method of Financing:						
1	General Revenue Fund	\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$808,420	\$808,420
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$849,814	\$755,008	\$808,420	\$808,420	\$808,420
FULL TIME EQUIVALENT POSITIONS:		9.1	7.8	8.0	8.0	8.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

3.A. Strategy Request
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:24PM

359 Office of Public Insurance Counsel

GOAL:	1	Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings	
OBJECTIVE:	1	Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers	Service Categories:
STRATEGY:	1	Participate in Rate/Rule/Form/Judicial/Legislative Proceedings	Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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The agency is directed by statute to represent the interest of insurance consumers. (Texas Insurance Code 501.002) The agency may assess the impact of insurance rates, rules, and forms on insurance consumers in this state. (Texas Insurance Code 501.151, 501.153)

OPIC intervenes to protect Texans from unjustified rate increases, to limit reductions in policy form coverages, and to help other regulatory agencies produce rules that benefit Texas consumers. OPIC also provides information about insurance issues affecting Texas consumers to the Texas Legislature both during the session and the interim.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The current system of ratemaking allows insurers to file and use their rates subject to statutory standards. OPIC is authorized and directed to review and object to these filings by providing actuarial analysis and evidence to the Commissioner of Insurance. The agency's role in rate hearings and its participation in proceedings on rate filings will be decided largely by the reasonability and frequency of rate filings made by insurers and hearing schedules developed by the Texas Department of Insurance (TDI).

Policy forms and endorsements require prior approval of the Commissioner of Insurance. OPIC is authorized to review, comment on, and object to these filings by providing expert analysis to TDI. As with rate filings, the reasonability and frequency of policy form filings made by insurers affects agency participation.

Rules, both formal and informal, typically originate from TDI. OPIC is authorized to review and comment on rules in the best interest of consumers. Frequency of rule proposals depends on a variety of factors outside the agency's control.

Any additional changes within the regulatory structure of ratemaking may influence the duties, responsibilities, and fiscal needs of the agency.

3.A. Strategy Request
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359 Office of Public Insurance Counsel

GOAL: 1 Represent TX Consumers in Rate/Rule/Judicial/Legislative Hearings
OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers Service Categories:
STRATEGY: 1 Participate in Rate/Rule/Form/Judicial/Legislative Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2020 + Bud 2021)	Baseline Request (BL 2022 + BL 2023)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,563,428	\$1,616,840	\$53,412	\$38,228	This portion of the biennial change is due primarily to brief vacancies in the Deputy Public Counsel and a Policy Analyst positions during fiscal year 2020.
			\$15,184	This portion of the biennial change is due primarily to savings in costs in goods/services due to COVID-19 work from home.
			\$53,412	Total of Explanation of Biennial Change

3.A. Strategy Request
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Automated Budget and Evaluation System of Texas (ABEST)

9/15/2020 4:20:24PM

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers

OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets

Service Categories:

STRATEGY: 1 Provide Consumers with Information to Make Informed Choices

Service: 21

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
Output Measures:						
	1 Number of Bills of Rights or Revisions Proposed	1.00	0.00	1.00	1.00	1.00
KEY 2	Number of Report Cards and Publications Produced & Distributed	1,796,642.00	8,400,000.00	3,000,000.00	3,000,000.00	3,000,000.00
KEY 3	Number of Public Presentations or Communications	1,230.00	550.00	2,000.00	2,000.00	2,000.00
Efficiency Measures:						
	1 Average Cost Per Consumer Reached through Agency Publications	0.03	0.03	0.03	0.03	0.03
Objects of Expense:						
1001	SALARIES AND WAGES	\$158,958	\$150,413	\$162,965	\$163,965	\$163,965
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$6,859	\$5,040	\$5,500	\$5,500	\$5,500
2003	CONSUMABLE SUPPLIES	\$0	\$24	\$100	\$100	\$100
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$1,533	\$611	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$350	\$500	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$2,429	\$2,364	\$3,000	\$2,500	\$2,500
2009	OTHER OPERATING EXPENSE	\$21,891	\$24,278	\$19,605	\$19,605	\$19,605

3.A. Strategy Request
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359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers

OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets

STRATEGY: 1 Provide Consumers with Information to Make Informed Choices

Service Categories:

Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
TOTAL, OBJECT OF EXPENSE		\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
777	Interagency Contracts	\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
SUBTOTAL, MOF (OTHER FUNDS)		\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$191,670	\$191,670
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$191,670	\$183,080	\$191,670	\$191,670	\$191,670
FULL TIME EQUIVALENT POSITIONS:		2.3	1.9	2.0	2.0	2.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

359 Office of Public Insurance Counsel

GOAL:	2	Increase Consumer Choice-Educate Texas Insurance Consumers	
OBJECTIVE:	1	Contact Insurance Consumers Regarding Insurance Coverage/Markets	Service Categories:
STRATEGY:	1	Provide Consumers with Information to Make Informed Choices	Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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The Insurance Code charges OPIC with representing the interests of consumers. (501.002) The agency engages in outreach and education to provide meaningful information that helps Texas consumers find insurance that best meets their needs. With the increased prevalence of the internet and social media, OPIC is able to communicate with more consumers in a cost-effective manner through our website and social media applications.

OPIC developed and maintains a Policy Comparison Tool for personal auto and residential property policies. This tool allows consumers to compare insurance coverages offered by different companies. OPIC also works with the Texas Department of Insurance (TDI) on the HelpInsure website, which allows consumers to compare rates for residential property and personal auto insurance. (Insurance Code 32.102)

OPIC produces two reports to enable consumers to compare HMO quality of care and performance. These reports are important to help consumers and small business owners navigate their often-confusing health insurance options. (Insurance Code 501.251 and 501.252)

The agency is directed by statute to submit to TDI a consumer bill of rights for each personal line of insurance. (Insurance Code 501.156) The Bills of Rights provide a summary of the legal protections put in place for consumers by the Texas Legislature. Texas law requires Bills of Rights to be included with each consumer's policy, directly impacting consumers by helping them understand the rights they have under state law.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The issuance of the statutorily mandated Bills of Rights varies yearly depending upon legislative or regulatory changes made to consumer protection laws and regulations. The issuance of the Health Maintenance Organization report cards depends on the collection of data by TDI and the Texas Department of State Health Services. Continuation of effective consumer education and outreach is contingent on budget factors and the agency's ability to attract and retain qualified staff with the requisite technical expertise.

3.A. Strategy Request
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Automated Budget and Evaluation System of Texas (ABEST)

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359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers

OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets

Service Categories:

STRATEGY: 1 Provide Consumers with Information to Make Informed Choices

Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2019	Est 2020	Bud 2021	BL 2022	BL 2023
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2020 + Bud 2021)</u>	<u>Baseline Request (BL 2022 + BL 2023)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$374,750	\$383,340	\$8,590	\$8,590	The biennial change is primarily due to brief vacancies in the Deputy Public Counsel and a Policy Analyst positions during fiscal year 2020.
			\$8,590	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090
METHODS OF FINANCE (INCLUDING RIDERS):				\$1,000,090	\$1,000,090
METHODS OF FINANCE (EXCLUDING RIDERS):	\$1,041,484	\$938,088	\$1,000,090	\$1,000,090	\$1,000,090
FULL TIME EQUIVALENT POSITIONS:	11.4	9.7	10.0	10.0	10.0

3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE

[illegible]

6.A. Historically Underutilized Business Supporting Schedule
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/15/2020
Time: 4:20:25PM

Agency Code: 359 Agency: Office of Public Insurance Counsel

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	<u>HUB Expenditures FY 2018</u>			<u>Total Expenditures</u>		<u>HUB Expenditures FY 2019</u>			<u>Total Expenditures</u>	
			% Actual	Diff	Actual \$	FY 2018	% Goal	% Actual	Diff	Actual \$	FY 2019	
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
32.9%	Special Trade	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$2,960	\$2,960	23.7 %	100.0%	76.3%	\$2,557	\$2,557	
26.0%	Other Services	26.0 %	1.3%	-24.7%	\$909	\$70,459	26.0 %	34.4%	8.4%	\$13,528	\$39,365	
21.1%	Commodities	21.1 %	75.9%	54.8%	\$30,334	\$39,989	21.1 %	30.1%	9.0%	\$2,765	\$9,193	
	Total Expenditures		30.2%		\$34,203	\$113,408		36.9%		\$18,850	\$51,115	

B. Assessment of Fiscal Year - Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded 2 of 3, or 66%, of the applicable agency HUB procurement goals in fiscal year 2018.

The agency attained or exceeded 3 of 3, or 100%, of the applicable agency HUB procurement goals in fiscal year 2019.

Applicability:

The following procurement categories are not applicable to OPIC:

Heavy Construction

Building Construction

Special Trade

Factors Affecting Attainment:

The majority of expense related to Other Services involves contracted services with one woman owned (but non-HUB) vendor for the agency's website management and hosting, and services provided by sole source vendors.

"Good-Faith" Efforts:

OPIC makes every effort to contract with HUB vendors whenever possible through the following practices:

A minimum of three bids/quotes are sought from HUB vendors for every purchase requisition.

If three bids/quotes are not received, an explanation is provided to the HUB Coordinator and Purchaser.

An explanation is given for the selection of vendor.

New HUB vendors are contracted and assisted through the application process.

6.E. Estimated Revenue Collections Supporting Schedule
87th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **359** Agency name: **Office of Public Insurance Counsel**

FUND/ACCOUNT	Act 2019	Exp 2020	Est 2021	Est 2022	Est 2023
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3205 Prop & Cas/Title/Other Assessment	2,876,313	3,197,562	2,643,000	2,643,000	2,643,000
Subtotal: Actual/Estimated Revenue	2,876,313	3,197,562	2,643,000	2,643,000	2,643,000
Total Available	\$2,876,313	\$3,197,562	\$2,643,000	\$2,643,000	\$2,643,000
DEDUCTIONS:					
Expended/Budgeted/Requested	(1,037,795)	(1,042,249)	(1,042,250)	(1,042,250)	(1,042,250)
State Paid EE Retirement	(84,387)	(77,948)	(255,000)	(255,000)	(255,000)
State Paid EE Insurance	(95,635)	(84,399)	(85,000)	(85,000)	(85,000)
State Paid OASI Match	(69,641)	(60,935)	(70,000)	(70,000)	(70,000)
Benefit Replacement Pay	(2,054)	(1,027)	(1,027)	(1,027)	(1,027)
Total, Deductions	\$(1,289,512)	\$(1,266,558)	\$(1,453,277)	\$(1,453,277)	\$(1,453,277)
Ending Fund/Account Balance	\$1,586,801	\$1,931,004	\$1,189,723	\$1,189,723	\$1,189,723

REVENUE ASSUMPTIONS:

The agency does not anticipate any significant changes in revenue from interagency contracts over the biennium.

CONTACT PERSON:

Patricia C Zapata

6.L. Document Production Standards

Summary of Savings Due to Improved Document Production Standards

Agency Code:	Agency Name:	Prepared By:
359	Office of Public Insurance Counsel	Patricia Zapata

Documented Production Standards Strategies	Estimated 2020	Budgeted 2021
1. Limiting voluminous publications to quantity of five.	\$2,300	\$0
2. Providing voluminous publications electronically only	\$0	\$4,600
3.	\$0	\$0
4.	\$0	\$0
Total, All Strategies	\$2,300	\$4,600
Total Estimated Paper Volume Reduced	-	-

Description:

A large portion of the agency's printing budget is used for the annual printing of HMO reports. The largest of the two is over 200 pages in volume. The agency placed a limit of five copies for these publications and plans to only make the publications available electronically beginning appropriation year 2021. The savings produced will instead be used for conversion of paper documents to digital documents in preparation for relocation of the office to a different building the summer of 2022.